REMARKS

Applicants reply to the Final Office Action dated May 4, 2006, within two months. Thus Applicants request an Advisory Action, if necessary. Claims 1, 3-5, 39 and 40 were pending in the application and the Examiner rejects claims 1, 3-5, 39 and 40. Applicants add new dependent claims 41-43. Support for the new claims and amendments may be found in the originally-filed specification, claims, and figures. No new matter has been introduced by these new claims and amendments. Applicants assert that the application is in condition for allowance and reconsideration of the pending claims is requested.

Rejections Under 35 U.S.C. § 112

The Examiner rejects claims 1, 3-5, 39 and 40 under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement. Specifically, the Examiner asserts that, "[t]he claim(s) contain subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention" (page 4, item 4). Applicants respectfully traverse this rejection.

In response to Applicants' previous Amendment and Reply, the Examiner states that in regard to the Applicants' "attempt to incorporate subject matter from another application by reference, the instant application as originally filed does not incorporate application serial number 09/653,837 by reference" (page 2, item 2). Applicants respectfully disagree.

Applicants confirm that application serial number 09/653,837 was incorporated by reference in the originally filed application. Applicants direct Examiner to page 10, paragraph 1 of the original disclosure that discloses, in part:

> For further information related to smart cards, browser functions, digital wallets and e-commerce transactions, see U.S. patent applications 'Transaction Card', U.S. Serial No. 9/653,837, filed on September 1, 2000; 'Method and Apparatus for Conducting Electronic Transactions', U.S. Serial No.: 09/652,899, filed on August 31, 2000; 'System and Method For Authenticating A Web Page', U.S. Serial No. 09/656,074, filed on September 6, 2000; and, 'System and Method For Profiling A Web Site', U.S. Serial No. 09/656,061, filed on September 6, 2000, all of which are herein incorporated by reference" (emphasis added).

As such, Applicants assert that the amendments are fully supported by the specification of the instant application.

The Examiner also asserts that the specification lacks support for "signature data" and the processing thereof. In regard to Applicants' recital of signature data that is used to determine whether a physical card is physically interfaced with a card reader, the Examiner asserts that, "this limitation and other limitations regarding the determination or authentication associated with physical interfacing and the digital certificate is also not present in the Specification as originally filed" (page 5, paragraph 1).

In the previous Amendment and Reply dated March 6, 2006, Applicants amended the claims to clarify that the "signature data" is, for example, a digital certificate. A digital certificate and its processing thereof are disclosed, for example, starting at page 10, line 25 of the specification.

The Examiner further states that, "[a]pplicant is silent as to how the card is inserted into the system (e.g. contactless, docking station, keyboard, or manually entering a card number)" (page 5, paragraph 1). In the previous Amendment and Reply dated March 6, 2006, Applicants amended the claims to clarify that the smartcard is physically interfaced with a card reader. Application serial number 09/653,837, which is incorporated by reference within the original disclosure, fully discloses a card reader and interfacing a smartcard with the reader by, among other means, inserting a card into a card reader. Various mechanisms used to read a card, once inserted into a reader, are described throughout the above referenced patent document. Those skilled in the art would further appreciate that the insertion of a card into a reader would constitute a physical interface between the card and the card reader. Applicants submit that claims 1 (and claims 3-5 depending therefrom), 39, and 40 fully conform with 35 U.S.C. § 112. As such, applicant respectfully request the Examiner to consider the following arguments against the 35 U.S.C. § 103 rejections in light of the supported amendments.

Rejections Under 35 U.S.C. § 103

The Examiner rejects claims 1, 3-5, 39 and 40 under 35 U.S.C. § 103(a) as being obvious over U.S. Patent No. 6,327,578 issued to Linehan ("Linehan"). Applicants respectfully traverse these rejections. In light of the forgoing amendments, Applicants

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respectfully request the Examiner to consider the following arguments which were not given weight due to the Examiner's 35 U.S.C. § 112 rejections.

In making the rejection, the Examiner characterizes Linehan as essentially showing each of the elements of claims 1 and 40 in the instance when, by coincidence, a merchant and a user share the same bank or financial institution. The networks disclosed in Linehan send "from a consumer's computer a start message over an internet to a merchant's computer." Linehan, Column 4, lines 10-12. "The merchant's computer then replies to the consumer's computer with a merchant message including a wallet initiation message, a merchant digital signature, and a digital certificate from an acquiring bank." Id., lines 12-16. The consumer's wallet program is then started in the consumer's computer in response to the wallet initiation message. "The consumer's computer then sends over the internet network some consumer identity and authentication information, such as a userid and user password, plus the merchant message, to an issuer gateway operating on behalf of an issuing bank." Linehan, Column 4, lines 19-23. Thus, in Linehan, a user inputs his/her user ID and user password for identification for authentication purposes. Linehan does not disclose or suggest reading data directly from, or a card reader system physically interfacing with, a debit card, a credit card, a charge card, or a smart card to verify that the consumer is in actual possession of the debit card, credit card, charge card, or smart card. As such, Linehan does not disclose or suggest at least "receiving a digital certificate, read by said card reader system, from said transaction card product, wherein said transaction card product includes said digital certificate configured to authenticate that said transaction card product was physically interfaced with said card reader system" (emphasis added), as similarly recited by independent claims 1, 39 and 40.

Claims 3-5 depend from independent claim 1 and include all of the elements thereof. Therefore, Applicants submit that claims 3-5 are differentiated from the cited reference for at least the same reasons as set forth above, as well as in view of their own respective features.
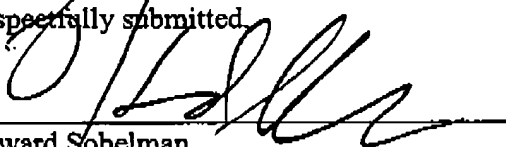
New claims 41-43 depend from independent claims 1, 39, and 40 and include all of the elements thereof. Therefore, Applicants submit that claims 41-43 are differentiated

from the cited reference for at least the same reasons as set forth above, as well as in view of their own respective features.

In view of the above remarks and amendments, Applicants respectfully submit that all pending claims properly set forth that which Applicants regard as their invention and are allowable over the cited references. Accordingly, Applicants respectfully request allowance of the pending claims. The Examiner is invited to telephone the undersigned at the Examiner's convenience, if that would help further prosecution of the subject application. Applicants authorize and respectfully request that any fees due be charged to Deposit Account No. 19-2814, including any required extension fees.

Respectfully submitted,

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